Cominco Ltd.

Revised November 27, 1985 (IMC)
Destroy all previous Basic and White cards on this Company

CUSIP Number 200435
Stock Symbol CLT

Head Office — Suite 2300, 200 Granville Street, Vancouver, British Columbia V6C 2R2

Telephone — (604) 682-0611

THE COMPANY operates as a mining, refining, chemical, fertilizer, exploration and holding company, conducting one of the principal mining, metallurgical and chemical enterprises in Canada. Also has substantial subsidiary and affiliated interests including steel plants, a hydro-electric utility service, a lead smelter in Japan, producing mines in Australia, Ireland and Spain, and coal interests in Canada.

COMPARATIVE DATA

Fiscal Year	Working Capital	L.-term Debt	Gross Sales	Cash Flow	Net Inc. Oper.	Earns. per Sh.	Divds. Paid	Price Range High	Price Range Low
	000's					—Common Shares*—			
	$	$	$	$	$	$	$	$	$
1984....	159,844	659,456	1,585,292	121,804	18,957	0.09	0.15	20.63	11.25
1983....	187,024	692,486	1,374,723	31,551	d39,325	d0.87	0.13	21.58	14.92
1982....	221,033	718,432	1,234,727	d8,090	d49,303	d1.05	0.43	18.58	11.25
1981....	292,005	578,186	1,416,904	201,251	64,710	1.02	1.37	24.00	14.58
1980....	314,535	336,459	1,442,698	304,122	169,262	3.15	1.47	27.00	15.83

*Adjusted throughout to reflect a 3-for-1 split, effective May 4, 1984.

CONSOLIDATED CAPITALIZATION AS AT DECEMBER 31, 1984

	Outstanding		%
Long-term debt		$659,456,000	43
Preferred stock	5,685,884 shs.	142,146,000	9
Common stock	64,304,128 shs.	251,546,000	16
Retained earnings		*487,137,000	32

*Net of foreign currency translation adjustment of $4,305,000.

SUMMARY STATEMENT

Organization realigned, in 1985, into two business units worldwide. These are Cominco Chemicals and Fertilizers and Cominco Metals.

For the nine months ended Sept. 30, 1985, net loss, operations was $35,000,000 or 70 cents per share, compared with a year-earlier net income, operations of $24,100,000 or 22 cents per share. An extraordinary gain of $9,400,000 in the 1985 period reduced net loss to $25,600,000; net income for the 1984 period was $29,300,000.

An extraordinary gain of $9,400,000 resulted from the sale of a portion of the company's equity in Pine Point Mines Limited in January, 1985, net income for the period was $2,800,000.

The Alberta Energy Company Limited of Edmonton entered into a joint venture agreement on June 12, 1985, with Cominco to construct and operate a 350,000 tonne a year anhydrous ammonia plant in the Joffre area of Alberta.

For the year ended Dec. 31, 1984, net income was $18,957,000 or nine cents per share, as compared to a net loss of $39,325,000 or $0.87 per share for the previous year. An extraordinary gain in the period included the sale of its interest in a tertiary oil recovery project which resulted in an increase in net income of $5,222,000 or eight cents per share.

Zinc and lead prices, in the first half of 1985, were 7.6 cents U.S. and 6.6 cents U.S. a pound lower than the same period in 1984.

New financing, in 1985, included 703,564 common shares sold on a flow-through basis of $21.32 per share and 199,080 common shares sold at $14.125 per share.

N.B.—For quick reference data and index, see page 2.

DEC 15

THE FINANCIAL POST CORPORATION SERVICE
Maclean Hunter Building, 777 Bay Street, Toronto M5W 1A7 Telephone (416) 596-5585
1001 Boul. de Maisonneuve ouest, Montréal H3A 3E1 Téléphone (514) 845-5141
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QUICK REFERENCE DATA

Major Shareholder—Canadian Pacific Enterprises Limited, a subsidiary of Canadian Pacific Limited, holds a 53% interest in the company and has held a major interest since the company's incorporation.

Employees—10,287 at December 31, 1984.

Incorporation—Dominion charter, January 9, 1906, continued May 1, 1980.

Auditors—Thorne Riddell, C.A., Vancouver.

Fiscal Year Ends—December 31.

Annual Report Appeared—In April in 1985.

Annual Meeting—April 8 in 1985.

Listed—CLT Toronto, Montreal and Vancouver Stock Exchanges (common and series A and D preferred), American Stock Exchange (common only).

Shareholders—At March 6, 1985, there were 19,729 common shareholders. Canadian residents held 95.32% of the outstanding stock.

Transfer Agents and Registrars—The Royal Trust Co., Vancouver, Montreal, Toronto, Calgary, Winnipeg (Series A and D preferred only), Halifax (Series D preferred only), and Saint John, N.B. (common only); Bank of Montreal Trust Co., New York, N.Y. (common only).

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COMPANY

Cominco operates as a mining, smelting, refining, chemical fertilizer, exploration and holding company, conducting one of the principal mining, metallurgical and chemical enterprises in Canada. Principal products are zinc, lead, and chemical fertilizers.

Operations are centred in Trail, B.C., where the company maintains custom milling, smelting and refining facilities, as well as chemical plants, research facilities, and hydro-electric power generators.

The company has substantial subsidiary and affiliated interests including steel plants, smelters in Japan and India, and potential and producing mines worldwide.

ANALYSIS OF REVENUE AND OPERATING PROFIT

	1984	%
Revenue		
Mining and metals	$902,000,000	57
Fertilizers & chemicals	503,000,000	32
Other	180,000,000	11
	1,585,000,000	100
Operating Profit		
Mining and metals	$49,000,000	37
Fertilizers & chemicals	64,000,000	49
Other	19,000,000	14
	132,000,000	100

Note—Figures for revenue do not include investment and other income in the amount of $4,466,000 and are net of intersegment sales of $42,000,000. Operating profit does not consider general exploration costs, long-term debt expense, taxes, or other corporate expenses or earnings.

OPERATIONS

In 1985, the company has realigned its organization into two business units worldwide. These are Cominco Chemicals and Fertilizers (with headquarters in Calgary and president J. L. Anderson) and Cominco Metals (with headquarters in Vancouver and president W. G. Wilson).

The company directly operates the Sullivan lead-zinc mine in British Columbia, the Con/Rycon gold mine in Yellowknife, N.W.T., the Vade potash mine in Saskatchewan, the Valley copper mine in Highland Valley, B.C., and the Polaris base metals mine on Little Cornwallis Island, N.W.T. Also owned are the former-producing Pinchi Lake mercury property in British Columbia and the former-producing Jersey copper property (previously operated by Bethlehem Copper) in the Highland Valley area in British Columbia.

Through subsidiaries (wholly owned and partly owned) and associated companies the company also has the following interests: 51% interest in the Pine Point base metals mine, N.W.T. (see separate basic card on **Pine Point Mines Ltd.**); 100% interest in the Warm Springs phosphate mine in Montana; 100% interest in the Lake Minerals trona mine in California; 50% interest in the Magmont base metals mine in Missouri (see Cominco American); 62.5% interest in the Black Angel base metals mine in Greenland (see separate basic card on **Vestgron Mines Ltd.**); 47% interest in the Rubiales base metals mine in Spain (see Exploracion Minera Internacional (Espana) S.A.); 47% interest in the Cleveland and Ardlethan tin-tungsten mines and the Que River base metals mine in Australia (see Aberfoyle Limited); 40% interest in the Fording coal properties in B.C. (see Fording Coal Limited); 50% interest in an alluvial diamond mine in Hondeklip, South Africa.

The company is also active in exploration in Canada and elsewhere and directly and through subsidiary and associated interests is developing several properties for possible future production.

Metals and metal products produced by the company include lead, zinc, copper, silver, gold, cadmium, bismuth, indium, antimonial lead, tin, electronic materials (high purity metals and compound semiconductors—as materials or fabrications to specifications), and certain fabricated metal products. Tadanac Brand, Cominco Brand, Elephant Brand, and C-Cast are registered trademarks. Steel is produced by subsidiary Western Canada Steel. The company also produces diamonds and coal.

Commercial production of chemicals and of chemical fertilizers, which was started in 1931, has grown until it is now a major activity of the company. The following are now produced under the Elephant Brand registered trademark: ammonium sulphate, ammonium phosphate, ammonium nitrate, urea fertilizers, complete fertilizers, anhydrous and aqua ammonia and a range of liquid fertilizers. Potash, sulphuric acid, nitric acid, phosphoric acid, hydro-fluosilicic acid, sulphur dioxide and iron calcine are also produced.

MINING AND METALS PROPERTIES

In addition to the properties described as follows, the company holds a number that are of potential value should changes in technique or economies occur.

Sullivan—This mine, primarily a zinc-lead-silver producer, is a major source of raw material for the metals and chemicals produced by the company at Trail, B.C. The property, comprising a large block of claims, 100% owned, is on Sullivan Hill, 2½ miles north of Kimberley, in the Fort Steele mining division, B.C. It is served by the Canadian Pacific and by highway.

Access to the mine is via a new ramp decline 3,000 ft. long which enters the mine through the hanging wall at 4,400-ft. elevation. The ore body is 7,000 ft. long, from several feet to 300 ft. thick with a north-south strike and a dip averaging 30 degrees to the east.

The mine is characterized by pillar and stopes filled with backfill or waste and is served by 16 levels from the 2,500 to 4,600 level. Long hole pillar mining methods currently account for 99% of production. About 50% of recent production has been from above the 3,900 level. Since the early 1960s a northwest retreat front for pillar extraction has been followed.

In 1975, the first phase of a multi-million dollar modernization program to convert the mine to more efficient mechanized mining methods began. The program was near completion in 1984. The new mechanized methods accounted for 60% of production in 1984. A new ventilation system was planned for 1985.

All ore from the mine passes through an underground crushing plant, is loaded at the 3,700 level and trammed through a tunnel and haulage-way to the concentrator.

All ore is passed through a "sink float" plant installed at the concentrator in 1949.

To the end of 1984, some 135,857,000 tons had been mined from the Sullivan property, including 2,725,000 tons in 1984 and 2,224,000 tons in 1983. The mine was shut down for a month in 1985, to bring zinc concentrates and refined zinc inventories in line with demand. The reductions were the result of low prices for zinc. (See Production and Sales).

Ore is treated in 10,000-ton daily capacity concentrator, located near Kimberley, about four miles from the Sullivan mine. Initial unit of 3,000 tons capacity was completed in August, 1923. This plant produces lead and zinc concentrates containing other metal values, which are shipped to Trail for reduction and refining.

Reserves at the Sullivan mine have been reported at Dec. 31 in recent years as follows:

	Tons	Lead %	Zinc %	Silver oz./t.
1984	44,000,000	4.4	6.3	1.0
1983	47,000,000	4.4	6.2	1.0
1982	49,000,000	4.4	6.1	1.0
1981	51,000,000	4.5	6.0	1.1
1980	53,000,000	4.5	6.0	1.1
1979	54,000,000	4.5	5.9	1.1
		Mineral Content, Tons		
1978	56,000,000	5,800,000		
1977▲	55,000,000	6,100,000		
1976▲	57,000,000	6,200,000		

▲Includes H.B. mine.

Con—Gold property comprises 40 claims in the Yellowknife area, N.W.T. which are 100% owned. The main claims were staked by the company in 1936. A 100-ton mill was started in July, 1938, and was stepped up to the present capacity of 650 tons daily by year-end 1976. The mill treats ore from the Con and contiguous Rycon mine. A $13,000,000 arsenic recovery plant commenced operations late in 1982. In addition to reducing effluents, the resultant arsenic trioxide is sold as a wood preservative. Technology for the plant was developed by Cominco.

The Con mine is developed by three shafts including an internal shaft completed in 1970 and a new 5,425 ft. shaft completed in 1976 under a $12,000,000 development program. The company deepened the shaft by 810 ft. to 6,235 ft. in 1984.

Reserves at Dec. 31 in recent years have been reported as follows:

	Tons	Gold oz./t
1984	1,700,000	0.42
1983	1,900,000	0.44
1982	2,100,000	0.47
1981	2,100,000	0.49
1980	2,200,000	0.49
1979	1,800,000	0.52
1978	1,650,000	0.57

For details of production and sales, see Production and Sales table.

Polaris—The company owns 71,000 acres, including 1,121 claims and five leases on Little Cornwallis Island and two leases on Cornwallis Island, in the Canadian Arctic. Milling in 1984 totaled 903,000 tons (914,000 in 1983), yielding 191,900 tons zinc and 40,700 tons lead (239,300 tons zinc and 56,300 tons lead in 1983).

The Polaris lead-zinc property on Little Cornwallis Island completed its first full year of commercial production in 1983, and has been developed by a 5,300-ft. adit and considerable underground drifting and drilling. The property was brought into production in late 1981 at a cost of $162,300,000.

In early 1982, Bankeno Mines Limited exercised its option to acquire 25% royalty interest in the Polaris mine.

A new production area in the South Keel Zone was opened up in 1984.

Reserves at Dec. 31, 1984, were estimated at 21,700,000 tons grading 3.8% lead and 13.7% zinc per ton.

Valley—The company owns a large porphyry copper property in the Highland Valley, B.C. near the non-producing Jersey Mine (formerly operated by Bethlehem Copper).

Initial development plans were scaled down in 1982 due to depressed copper prices. Preproduction stripping and ore stockpiling commenced in July 1982, and commercial production was achieved in Jan. 1983. Operations utilize the nearby Jersey concentrator and concentrates are sold to smelters in Japan. Milling in 1984 totaled 9,300,000 tons (7,906,000 in 1983), yielding 41,700 tons of copper (36,700 in 1983).

Reserves at Dec. 31, 1984, were estimated at 616,000,000 tons, grading 0.47% copper. Valley has additional inferred ore reserves of 156,000,000 tons with an average grade of 0.48% copper.

Cominco American Incorporated (CAI)—Wholly owned. Changed name from Montana Phosphate Products Co. in August, 1965. Merged with Cominco Products, Inc., as of Jan. 1, 1966. Head office—Spokane, Wash., U.S.A.

Holds extensive phosphate reserves in Montana. Produces and ships phosphate rock from the Warm Springs mine at Garrison, Montana, to Kimberley fertilizer plant.

Cominco American operates the **Magmont** mine near Bixby, Missouri, which it owns jointly with Dresser Industries. A 70,000-ton-per-annum lead concentrator commenced production in 1968, and output is custom treated in a new smelter, built by American Metal Climax, Inc. Ore reserves at the Magmont mine at Dec. 31, 1984, were estimated at 7,900,000 tons grading 6.5% lead, 1.2% zinc and 0.4 oz. silver per ton. Milling totaled 1,115,000 tons in 1984, compared with 1,142,000 tons in 1983.

The Magmont mine system is being extended into a new 7,500 acre property adjoining the mine by drifting from the existing underground workings and drilling a number of ventilation shafts. Production at **Magmont West** was integrated with existing mine production in 1983.

Cominco American has a 76% interest in the **Buckhorn** heap leach mine in Eureka county, Nevada. Reserves of 3,200,000 tons of low grade gold ore are expected to be developed in the near future. Extensive exploration was planned for 1985.

Cominco American also carries out mineral explora-

tion in the United States, including Alaska. In February, 1982, Cominco American reached agreement with NANA Regional Corporation (owned by 4,600 Inupiat shareholders) for evaluation and potential development of the Red Dog lead-zinc-silver deposit near Kotzebue in northwestern Alaska. The deposit is estimated to contain some 85,000,000 tons grading 17.1% zinc, 5.0% lead and 2.4 oz. silver per ton.

Pine Point Mines Ltd.—Cominco held 69% interest in this company, and acts as its manager and agent. Pine Point has a producing base metals mine in the Northwest Territories. The company reduced its interest in Pine Point to approximately 51% in 1985. A new ore body was found in 1984, containing 224,000 tons grading 8.1% zinc and 3.9% lead. (For further details on Pine Point, see separate basic card.)

Rycon Mines Ltd.—Incorporated under Dominion charter, January, 1938. Cominco holds 76% interest in this company formed to acquire and operate four claims adjoining the Con mine in the Yellowknife mining division, N.W.T. Production was resumed in the late summer of 1946 after a shut-down in August, 1943, resulting from a labor shortage. Production was again suspended in 1951-52, and since then regular production has continued.

Vestgron Mines Ltd.—Cominco holds 62.5% interest in this company. Vestgron's wholly-owned Danish subsidiary. **Greenex A/S,** holds mineral concessions on the west coast of Greenland. The 1,650 metric ton per day Black Angel zinc-lead mine facility started production in October, 1973. For further details see separate basic card on Vestgron Mines.

Trail Metallurgical Operations

Lead

Lead production at Trail, B.C., commenced in 1899. The main units involved in processing the lead concentrate to refined metal and recovery of by-product metals are as follows:

Feed plant—A new smelter feed plant, designed to improve the blending of various raw materials was completed late in 1979.

Smelter—The sintering plant produces sinter from Sullivan lead concentrate and custom ores to feed two blast furnaces with a capacity of 1,650 tons daily. The feasibility of modernizing lead smelting facilities was being studied in 1982.

Slag Fuming—This plant, which commenced operation in 1930, recovers lead and zinc from lead blast furnace slag. Annual capacity is about 55,000 tons of lead and zinc.

Refinery—Lead bullion from the smelter is refined by the Betts electrolytic process to produce a high-grade refined lead. Annual capacity is about 170,000 tons of refined lead.

Gold and Silver—In this plant residues from the electrolytic refining of lead are treated to recover gold and silver. Annual capacity is 14,000,000 oz. silver and 100,000 oz. gold.

Bismuth—This plant treats by-product material from the precious metal refinery to produce refined bismuth. Annual capacity is 200 tons.

Antimonial Lead—Production started in March, 1945. Annual capacity 4,000 tons.

Indium—Production in commercial quantities commenced in 1955.

Zinc

The original zinc plant at Trail was built in 1916. The present plant is made up of the following main units:

Roasting and Leaching—Zinc concentrate is roasted in two new fluid bed roasters with an annual capacity of 275,000 tons contained zinc per year. The calcine and oxide fume recovered from slag fuming are treated by acid leaching.

A zinc concentrate pressure leach project was put into operation at the end of 1980. The process, developed by Cominco and Sherritt Gordon, involves the production of zinc bearing solution and elemental sulphur directly from concentrate.

In 1982, the company was studying the feasibility of a zinc residue leaching facility which will result in recovery and production of germanium and gallium.

Refinery—The purified solution from the leaching plant is treated electrolytically to recover the zinc which is subsequently melted and cast. An expansion and modernization program, completed in 1971, brought zinc production capacity to 275,000 tons per year. Sulphur burning equipment was installed in the zinc plant in 1975 to permit fertilizer manufacturing at levels independent of metallurgical operations.

During 1971, commercial production commenced of continuous cast ingots which may be cut to any weight from one to 20.4 tons. The normal continuous jumbo casting weighs 2,400 lb.

A major expansion and modernization program began in 1977, on a zinc electrolytic and melting plant; construction was completed in October of 1983. Expenditures on zinc facilities and major environmental projects in this program totalled $358,000,000.

Cadmium—This plant treats a by-product from the zinc leaching plant to recover cadmium by hydrometallurgical methods. Capacity is 700 tons per annum.

In 1985, the federal government rejected a request by Cominco for a $60,000,000 grant to help modernize its lead smelter. The government has offered to pay part of the interest if a third party puts up the money.

CHEMICALS AND FERTILIZERS

The chemical operations of Cominco are at Trail and Kimberley, B.C., Calgary and Carseland, Alta.; and Vade, Sask. In the United States, operations are at Warm Springs, Montana; Borger, Texas; and Beatrice, Nebraska. The initial Trail plants went into operation in 1931. Prior to that date chemical production was confined to a small output of sulphuric acid used mostly in the zinc plants. Major facilities are described below.

Trail—Operations include facilities producing sulphuric acid, ammonia, and ammonium phosphate and ammonium sulphate fertilizers. Annual production capability for ammonia is approximately 75,000 tons.

Kimberley—Primary production is directed toward granular ammonium phosphate fertilizers. In 1984, production was 170,900 tons, compared with 151,000 tons in 1983.

Carseland—Production commenced in 1977. Annual design production capability is 450,000 tons of ammonia. A certain portion of production is committed to sale, while the balance is further processed through adjacent facilities to urea. In 1984, production totaled 439,800 tons ammonia and 463,100 tons urea, compared with 436,700 and 465,900 tons, respectively, in 1983.

Calgary—The plant produces ammonia and ammonium nitrate for sale or further processing at other sites. In 1984, fertilizer production totaled 186,600 tons, compared with 158,800 tons in 1983.

Borger—Daily production capability is 1,000 tons of ammonia. In 1984, production totaled 360,000 tons, compared with 240,800 tons in 1983. An 85,000-ton urea plant adjacent to the Borger facility started operations late in 1980, producing both feed and fertilizer grade urea. Production totaled 77,400 tons in 1984 compared with 51,700 tons in 1983.

Homestead—Located at Beatrice, Nebraska, the plant produces ammonium nitrate from ammonia produced at the Borger, Texas facility. Production in 1984 totaled 154,700 tons, compared with 123,600 tons in 1983.

Warm Springs—Subsidiary Cominco American Incorporated produces phosphate rock from the Warm Springs mine at Garrison, Montana primarily for use at Kimberley. Production totaled 209,900 tons in 1984, compared with 188,000 tons in 1983.

Vade—Property consists of 68,000 acres located at Vade, 14 miles southwest of Saskatoon, Sask. Production was started in March, 1969. In August, 1970, mine was flooded resulting in production shutdown. Rehabilitation program undertaken and production resumed late in 1972. Early in 1974, a serious fire in the concentrator caused extensive damage to electrical and instrument control equipment and resulted in a three-month shutdown. In 1982, a $31,000,000 expansion program to increase annual capacity by 25%, to

1,200,000 tons potash was completed. In 1984, a new three mile mainline conveyor system, built at a cost of $4,000,000, was installed.

In 1984, production was 1,361,100 tons compared with 1,123,000 tons in 1983.

Reserves, at Dec. 31 in recent years have been reported as follows:

	Tons	K_2O %
1984	150,000,000	25.3
1983	153,000,000	25.3
1982	155,000,000	25.3
1981	99,000,000	26.3
1980	102,000,000	26.3
1979	105,000,000	26.3
1978	108,000,000	26.3

For production details, see Production and Sales table.

In 1979, the company's potash operation became profitable. An agreement was reached with the provincial government for conditional settlement of the Resource Tax litigation. All potash producers in Saskatchewan have entered into Resource Payment Agreements which became effective July 1, 1979. The province has accepted payments under these agreements in lieu of resource taxes previously collected.

Lake Minerals Corporation—Subsidiary of Cominco American Incorporated mines crude trona ore (raw material of soda ash) from a deposit in Owens Lake, Calif. Production was 45,300 tons in 1984 and sold to industrial customers.

EXPLORATION PROJECTS

Cominco conducts a world-wide exploration program, both on its own and in partnership with others. Emphasis is placed on exploration of a range of metals in different locations to provide product and geographic diversification, and the company is currently looking for gold, silver, niobium, copper, tin, diamonds and phosphate rock in addition to lead and zinc.

Exploration expenditures in recent years have been as follows:

1977	$31,332,000	1981	$61,000,000
1978	33,900,000	1982	42,000,000
1979	32,600,000	1983	35,000,000
1980	44,100,000	1984	40,900,000

In 1984, exploration projects in Canada accounted for 38% of total expenditures, with 24% spent in the United States and 38% on projects in Europe, Australia, South America and Mexico. Diamond drilling programs were conducted on over 50 properties, and about half of these warrant further work.

Cominco's major exploration efforts are in search of zinc and gold deposits. At the Red Dog deposit near Kotzebue in southwestern Alaska, where the company has identified open-pit reserves of 85,000,000 tons grading 5% lead, 17.1% zinc and 2.4 oz. silver per ton, the company spent $7,800,000 on preparatory work. Pre-production planning continued in 1985.

In 1985, a bill was passed in Alaska to help finance the state authority's Delong Mountain Transportation project. The project will include a road from the large Red Dog zinc-lead-silver orebody in northwest Alaska to the coast and a port to accommodaate the shipment of zinc-lead concentrates.

Other properties currently under investigation include base metals prospects at Pine Point Mines, N.W.T. and the Hellyer property in Australia; gold prospects in Nevada; gold prospects in the Timmins area of Ontario; gold prospects in the Slave region of the N.W.T.; niobium prospect east of Williston Lake, B.C.

POWER

Cominco obtains the electric power for its Trail and Kimberley plants from two hydro-electric plants, one situated on the Kootenay River, some 25 miles northeast of Trail, and one on the Pend-d'Oreille River, eight miles south of Trail. Total generating capacity of these two plants is 504,000 kilowatts.

In addition to the foregoing, the company operates a power plant in Yellowknife, N.W.T., primarily to satisfy the power requirements of the Con-Rycon gold mine.

During 1982, West Kootenay Power and Light Company Limited acquired three hydro plants on the Kootenay River from Cominco.

During 1984, $12,400,000 was spent on capital projects which included a new 60 kv line in the Trail area and a rebuilt 60 kv line between the Corra Linn plant and the City of Nelson.

MARKETING

Sales of the company's products are made through district sales offices and foreign traders. Sales offices of Cominco Ltd. are located in Vancouver, B.C., Calgary, Alta., and Toronto, Ont. United States subsidiary, Cominco American Incorporated, has a sales office in Spokane; Wash.; and British subsidiary Cominco (U.K.) Limited has sales offices in London, England.

JOINT VENTURES

Cominco has 50% interest in the **Transcom Joint Venture** which operates a small scale alluvial diamond mine at Hondeklip, South Africa. Production in 1984 was 61,100 carats as compared to 53,100 carats in 1983. Revenues were $5,000,000 in 1984 compared to $4,000,000 in 1983.

On June 12, 1985 the company entered into a joint venture agreement with Alberta Energy Company Ltd. of Edmonton to construct and operate a 350,000 tonne a year anhydrous ammonia plant in the Joffre area of Alberta.

AEC will receive 25% of the net revenues from Cominco's existing Calgary and Carseland fertilizer operations and from the new project. Cominco will receive 75% of the net revenues from these operations. AEC will provide $105,000,000 of the $116,000,000 expansion of urea production at the Carseland operation.

ASSOCIATES

Aberfoyle Limited—47% owned. Holds 90% interest in the producing Que River lead-zinc mine in Tasmania. The mine was brought into production in early 1981 at a cost of some $36,000,000. Production of ore totaled 218,000 tons in 1984 (244,700 tons in 1983) of which 216,300 (240,200) tons were delivered to a custom contractor.

Aberfoyle also operates the Cleveland tin mine in Tasmania and the Ardlethan tin mine in New South Wales.

A new zinc-lead-silver sulphide discovery 2 miles north of Que River, has indicated 18,000,000 tons grading 18.2% combined zinc-lead, 4.3 oz./ton silver and 0.06 oz./ton gold. Underground exploration started in 1985.

The Canada Metal Company Limited—In late 1965, Cominco acquired 50% ownership of this company from National Lead Co., New York, which retains the remaining 50% interest. Canada Metal produces a wide range of metal products, principally in lead, zinc, antimony, bronze and brass. Canada metal sales were $71,000,000 in 1984 compared with $56,000,000 in 1983. In 1976, acquired **Carter White Lead Company of Canada Limited,** a producer of lead oxide with operations in Quebec, Ontario, Manitoba, Alberta and British Columbia.

Exploracion Minera Internacional (Espana) S.A. (Exminesa)—48% owned. Holds the Rubiales zinc-lead mine in northern Spain, which started production July 1, 1978 and has capacity to produce 150,000 metric tons zinc and 15,000 metric tons lead concentrates per annum. The concentrator treated 1,016,000 tons in 1984 compared with 921,000 in 1983. Zinc and lead concentrate production was 128,200 and 16,100 tons, respectively in 1984 as compared to 103,900 and 16,400 tons in 1983.

The company is also developing a zinc-lead deposit at Troya in the province of Guipuzcoa, Spain, estimated to contain 5,500,000 tons of lead-zinc ore. An engineering study was continued in 1984. Development commenced in 1985 and was estimated at $35,000,000 with completion in 1987.

Fording Coal Limited—Cominco holds 40% interest (Canadian Pacific Enterprises 60%). Fording holds coal properties, 60,000 acres, Elkford area, East Kootenay district, B.C.

Open pit mining commenced in 1971 with shipments beginning in March, 1972. At Dec. 31, 1983, the company reported reserves of 237,000,000 tons of clean metallurgical coal.

Long-term contracts for 45,000,000 tons over 15 years to Japanese customers open for renegotiations in 1982. A six-year contract for 325,000 metric tons annually has been arranged with Brazilian steel mills to commence delivery in 1983.

Operating data in recent years has been as follows:

Year	Coal, Tons	To Cominco
1977	3,100,000	$4,900,000
1978	3,076,000	7,800,000
1979	3,221,000	5,700,000
1980	3,832,000	5,700,000
1981	4,069,000	d1,100,000
1982	4,299,000	4,700,000
1983	3,041,000	1,600,000
1984	4,446,00	....

An expansion of operations from 3,360,000 to 5,500,000 tons per year was completed in 1982. Development of the Eagle Mountain reserves at Fording River continued during 1984, with 220,000 tons mined. Development work was planned to be completed in 1985.

Fording's joint venture with Edmonton Power to establish a thermal coal mine at Genesee, Alberta was estimated at $126,000,000 and planned to start operation in 1987.

Mitsubishi Cominco Smelting Co. Ltd.—Cominco has a 45% interest in this company, which completed construction of a 40,000-ton-per-year lead smelter at Naoshima, Japan, in July, 1966. Lead concentrate is purchased from Pine Point Mines.

Cominco Binani Zinc Ltd.—Cominco has a 40% interest in this company, formed in 1962, with Metal Distributors of Calcutta. A 22,000-ton zinc smelter and 53,000-ton sulphuric acid plant were completed in 1967, at Alwaye, near Cochin, Kerala State, southwestern India. In 1978, an expansion program to increase zinc production by 8,000 tons per year was announced. In 1984, the company agreed to sell its interest pending shareholder and regulatory approvals. Estimated loss on sale was $886,000.

MAJOR SUBSIDIARIES

Western Canada Steel Ltd.—Wholly owned. Owns and operates a steel plant in Vancouver, B.C., having an annual capacity of 175,000 tons (increased from 100,000 tons in 1981) steel ingots, from which rolled steel products and industrial fasteners are manufactured. A $24,000,000 tandem continuous rolling mill was completed in 1983. The reinforcing bar plant of Western Rolling Mills, at Calgary, Alta., was acquired Dec. 31, 1973 and has a capacity of some 115,000 tons per annum. A 51% interest is also held in **Hawaiian Western Steel Ltd.**, of Honolulu, which operates a 40,000-ton reinforcing bar plant.

West Kootenay Power & Light Co., Ltd.—Cominco owns all the common stock and 30% of the preferred shares of this company, which has a power plant on the Kootenay River. In 1982 Cominco sold three hydroelectric plants on the Kootenay River to West Kootenay Power for $20,000,000 in commmon shares. West Kootenay now owns four plants and operates two Cominco-owned plants under management contracts.

Cominco Electronic Materials Incorporated—Conducts parent company's electronics materials business from plants in Spokane, Wash., and Trail, B.C. Makes fabricated products from high purity metals and alloys.

At Spokane the company produces fabrications, bonding wire and ribbon and "sputtering products". Operations at Trail comprise the production of high purity metals and compound semiconductors. During 1982 a $3,000,000 facility was established at Trail, primarily for cadmium mercury telluride production. A $1,000,000 project, to expand production of gallium arsenide wafers, was completed in 1983.

Cominco Engineering Services Ltd.—Formed in 1981 in Vancouver. Provides engineering consulting services from offices in Trail and Vancouver, B.C. and a new office in Calgary. During 1984, service was provided for customers in Canada, the United States, China and Ghana.

INTEREST IN OTHER COMPANIES

Panarctic Oils Limited—At Dec. 31, 1984, Cominco had 6.3% interest in this business-government consortium which is exploring for oil and gas in the Canadian Arctic. Natural gas reserves in the Arctic Islands are 17,400,000 mcf. For further details, see separate card on Panarctic.

HISTORY

The nucleus of the present company and its plant at Trail dates from 1895, when a copper smelter was constructed close to the Rossland gold-copper mines by the British Columbia Smelting and Refining Company, controlled by F. Augustus Heinze of Butte, Montana. In 1898 the Canadian Pacific Railway became interested in both the smelter and the railroad rights held by the company and purchased the Heinze interest and formed the Canadian Smelting Works. In 1899, the first lead furnace was blown in at Trail. Two more were installed in 1901 and a refinery was built in 1902.

The present company was incorporated with a Dominion charter on Jan. 9, 1906, under the name of Canadian Consolidated Mines (Limited). On Feb. 14, 1906, the name was changed to The Consolidated Mining and Smelting Company of Canada Limited. It represented a consolidation of the Canadian Smelting Works and a number of other B.C. plants and properties, including the Centre Star Mining Company, War Eagle Mining and Development Company, Rossland Power Company, and St. Eugene Consolidated Mining Company.

By S.L.P. dated May 16, 1966, the company's name was changed from The Consolidated Mining and Smelting Company of Canada Limited to Cominco Ltd. The company was continued under the Canada Business Corporations Act by certificate of continuance issued May 1, 1980.

The history of the company's most important mining operation—the Sullivan—dates from 1892 when the Sullivan group of claims was staked by Pat Sullivan and his associates. The ore from the mine proved very complex and a smelter established at Marysville, five miles away, was closed in 1907 due to metallurgical difficulties. In 1909 The Consolidated Mining & Smelting Co. took a lease on the Federal Mining & Smelting Co.'s holdings and by 1912 acquired complete ownership.

During the following decade, selectively-mined ore with lead and silver values was shipped to the smelter at Trail, B.C. As a result of an extended research program, a new process of differential flotation was developed which made it possible to separate the run-of-mine ore into high-grade lead concentrate and high-grade zinc concentrate for treatment at Trail, and iron concentrate for future use. This made possible the orderly and large-scale exploitation of the ore body. Commercial application was achieved in 1920, and led in subsequent years to great expansion of the lead and zinc production of the company.

In 1916, the company acquired all of the common stock of the West Kootenay Power and Light Company. In the same year, at the request of the Imperial Munitions Board, a pioneer electrolytic zinc plant was established at Trail, B.C.

In 1931 the company commenced production of chemical fertilizers at a plant built at Trail and since greatly enlarged.

At the close of 1935, the company acquired a 55% (later 78%) interest in Pacific Coast Terminals Co. Ltd. The company's interest was sold in 1981 for $12,500,000.

In 1938 Cominco obtained ownership of Montana Phosphate Products Co. (now Cominco American Inc.), as a source of phosphate rock for the fertilizer plants.

The company during The Second World War constructed and operated for the government on a non-profit basis, plants at Calgary, Alta., and Trail, B.C., for the production of ammonia and ammonium nitrate. In May, 1946, these plants were purchased for $7,500,000.

In 1951, following many years of exploration by Cominco and others near Pine Point on Great Slave Lake, Pine Point Mines Ltd. was incorporated. Cominco now has 69% of the issued shares.

In 1953, an ammonium-phosphate plant was completed at Kimberley, B.C.

In 1956 the wholly-owned subsidiary, Cominco Products Inc. (now Cominco American Inc.), was formed, with head office in Spokane, Washington.

In 1959, Cominco purchased National Hardware Specialties Ltd., of Dresden, which in turn acquired Luster Corp. of Canada Ltd., of Wallaceburg, both Ont.

In 1960, the company brought its urea plant at Calgary, Alta., into operation.

In 1961, a pig iron plant was brought into operation at Kimberley, B.C.

In 1962, the Coast Copper Co. mine at Benson Lake on Vancouver Island was brought into production.

In 1963, National Hardware Specialties Ltd., a subsidiary, acquired controlling interest in Schultz Die Casting Co. of Canada Ltd. National Hardware was sold in 1981.

In 1964, construction was completed of the Product Research Centre at Sheridan Park, Ont. Cominco acquired Western Canada Steel Ltd. as a wholly-owned subsidiary for 806,510 shares of the company.

The year 1965 saw new chemical and fertilizer facilities completed at Trail and Kimberley, B.C., and Calgary, Alta. The company's subsidiary, Pine Point Mines Ltd., brought its 5,000-ton concentrator into operation late in the year. In November, Cominco acquired a 50% interest in The Canada Metal Co. Ltd.

During 1966, construction at Cominco American's Beatrice, Neb., fertilizer plant, and Mitsubishi Cominco Smelting Co.'s lead smelter on Naoshima Island, Japan, was completed.

The Cominco Binani Zinc Ltd. smelter in India commenced production in 1967. Cominco acquired a 9% (now 6.9%) interest in Panarctic Oils Ltd. The Magmont lead mine in Missouri, a joint venture of Cominco American and Dresser Industries Ltd., was brought into production. The company's mercury mine at Pinchi Lake, B.C. came into production late in 1968.

Also in 1968, Cominco U.K. Ltd. formed as 52% subsidiary in U.K. to market Cominco metal products. Minority interest held by Henry Gardner & Co. Ltd. (48%) was acquired in December, 1971.

In 1969, Hill Chemicals Inc. (now merged into Cominco American Inc.) completed a 1,000-ton-per-day ammonia plant at Borger, Texas. The potash mine at Vade, Saskatchewan, began production.

In 1971, Schultz Die Casting Co. of Canada Ltd. amalgamated with National Hardware Specialties Ltd.

In 1972, the Kimberley iron and steel operation was closed and operations at the Coast Copper Co. mine were suspended. Preparation of the H.B. zinc-lead mine near Salmo, B.C., for resumption of production undertaken with operations resumed early 1973.

In 1973, production was started at the Black Angel zinc-lead mine of Vestgron in Greenland during October. In November, the company announced that a new 60% owned company, Société Centrafricaine d'Exploitation Diamantifere had been incorporated to explore for and mine diamonds in The Central African Republic.

During 1975, Cominco France S.A. and Cominco S.A. were formed as wholly-owned subsidiaries of Cominco Europe N.V. (now Cominco Holdings N.V.). Also during the year the company's Australian subsidiary acquired a 47% interest in Aberfoyle Limited, which operates several mines in Australia.

In 1977, the Carseland, Alta., ammonia and urea plant commenced production, the expansion of the Con mine in the Northwest Territories was completed and the Rubiales zinc-lead mine in Spain started up. Also in 1977, Fording Coal Limited and CanPac Minerals Ltd. were amalgamated to consolidate coal interests of Cominco (40% interest) and Canadian Pacific Enterprises (60% interest) under Fording Coal Limited.

In 1979, the company increased its interest in Arvik Mines Limited to 100% from 75% and announced plans to bring that company's Polaris lead-zinc property in the Arctic Islands into production.

On May 1, 1980, the company was continued under the Canada Business Corporations Act.

On Oct. 31, 1980, a wholly-owned subsidiary, Worwil Investments Inc., purchased a 25% interest in Bethlehem Copper Corporation, increasing Cominco's interests in that company to 64.2%. Subsequently, early in 1981, Worwil made an offer to minority shareholders of Bethlehem to purchase the remaining outstanding stock at a price of $37.50 per share. Through this offer, interest in Bethlehem was increased to 96.5%. Then on July 31, 1981, Bethlehem Copper was amalgamated with Worwil to form a new company also known as Bethlehem Copper Corporation. Minority shareholders of Bethlehem Copper (old company) received one preferred share of the amalgamated company for each old share held; these preferred shares were called for redemption at $37.50 on Aug. 17, 1981.

In 1980 and early 1981, the company's interest in Valley Copper Mines Limited was increased to 92% from a previous 82%. Subsequently, on July 31, 1981, Valley Copper was amalgamated with Anchor Investments Inc., a wholly-owned subsidiary of Cominco, to form a new company also known as Valley Copper Mines Limited. Minority shareholders of Valley Copper (old company) received one preferred share of the amalgamated company for each old share held; these preferred shares were called for redemption at $33 on Aug. 17, 1981. During 1982, both Bethlehem Copper and Valley Copper were amalgamated with Cominco, with operations then being carried out by Cominco's Copper Division.

Effective Dec. 31, 1981, sale of Pacific Coast Terminals Co. Ltd. (78.3% owned) was completed for $12,500,000 ($18.08 per share) to a subsidiary of Sultran Ltd.

In 1982, three power plants on the Kootenay River were sold to West Kootenay Power & Light Co., Ltd.

In 1984, the company sold its 17.2% interest in Tara Exploration and Development Company Limited for approximately $22,500,000.

In 1985, the company sold 800,000 shares from its holdings in Pine Point Mines Limited for $21,000,000. The company continues to hold 51% of the outstanding shares in Pine Point Mines Limited. The company entered an agreement to sell Cominco Binani Zinc Limited for an estimated loss of $886,000.

CAPITAL EXPENDITURES

Outlays for 1984 comprised $96,000,000 mining and metals, $10,000,000 chemical and fertilizers and $17,000,000 other operations.

Capital expenditures in recent fiscal years, as reported by the company, have been as follows:

1975	$125,600,000	1980	$280,252,000
1976	147,600,000	1981	333,667,000
1977	80,849,000	1982	230,405,000
1978	87,437,000	1983	106,336,000
1979	150,148,000	1984	122,900,000

ACCOUNTING CHANGES

Changes 1985—Effective Jan. 1, 1985, the company changed its method of accounting for investment tax credits to comply with the recommendations of the Canadian Institute of Chartered Accountants. The change had no effect on the results in the first six months of 1985.

Changes 1984—The translation of accounts denominated in foreign currencies comply with the revised recommendations of the Canadian Institute of Chartered Accountants. The change began Jan. 1, 1984. The affects of change included a net loss of $1,589,000 or $0.025 per common share.

Changes 1979—As result of a tax settlement with the Saskatchewan government for the years 1974-78 the company made a $6,922,000 credit to retained earnings in respect of taxes no longer required. Restated results for 1978 showed net income of $65,212,000 or $3.46 per share before and $67,371,000 or $3.59 after extraordinary gains.

OFFICERS AND DIRECTORS

Officers—M. N. Anderson, chm. & chief exec. officer; W. G. Wilson, pres., Cominco Ltd. & Cominco Metals Div.; J. L. Anderson, pres. Chemicals & Fertilizers Div.; E. A. Kowalenko, v-p, chemical & fertilizer mktg.; R. R. Stone, v-p, finance; J. E. Fletcher, sr. v-p, Metals Div.; W. J. Robertson, v-p, oper. at Trail; D. L. Johnston, v-p, Northern group; O. E. Owens, v-p, explor.; J. M. Van Brunt, v-p, oper.; K. H. Spurr, v-p, metal sales; J. Giovanetto, v-p, human resources; H. E. Hirsch, pres., Electronic Materials Div.; R. P. Taylor, pres., Copper division, D. W. Massie, v-p mktg. U.S.A.; B. J. Partridge, gen. counsel; L. D. Margerm, treas.; A. D. Miller, compt., L. F. Beaudoin, corp. sec.

Directors—M. N. Anderson, H. C. Bentall, R. G. Duthie, D. J. Kelsey, W. G. Wilson, Vancouver; F. S. Burbidge, P. A. Nepveu, W. W. Stinson, Montreal; R. W. Campbell, R. A. MacKimmie, S. E. Eagles, Calgary; F. H. Tyaack, Toronto; Rolf Hougen, Whitehorse; J. L. Anderson, Spokane, Wash.

CAPITAL STOCK

(As at Dec. 31, 1984)

	Author.	Outstand.
Preferred	unlimited	
Ser. A		1,685,884 shs.
Ser. B		nil
Ser. C		2,000,000 shs.
Ser. D		2,000,000 shs.
Common	unlimited	64,304,128 shs.

Options—The company has a Stock Option Plan, under which 300,000 common shares have been set aside for the granting of nonassignable options to certain fulltime key employees of the company or of a subsidiary company. At Dec. 31, 1984, options were outstanding on 83,100 shares at prices varying from $12.23 to $20.33 per share.

Preferred Shares—Total authorized amount of preferred shares is unlimited.

General Provisions—Issuable in series at the discretion of the directors. All series rank on a parity with one another and will be entitled to preference over the common shares and over any other shares ranking junior to the preferred shares with respect to payment of dividends and the repayment of capital. No other class of shares ranking on a parity with or prior to the preferred shares with respect to payment of dividends or repayment of capital may be created without the approval of the holders of the preferred shares.

Non-voting, unless dividends which the company is required to pay in any two calendar years are in arrears, when entitled as a class, to elect two members of the board of directors.

The provisions attached to the preferred shares as a class may be changed only with the approval by at least two-thirds of the votes of the holders of preferred shares.

$2 Tax-Deferred Exch. Pref. Shares, Series A:

Entitled to fixed cumulative preferential tax deferred cash dividends of $2 per share per annum.

In the event of liquidation, dissolution or winding up of the company, entitled to $25 per share plus all accrued and unpaid dividends. If liquidation is voluntary and occurs prior to June 1, 1981, entitled to $26.25 per share, thereafter to then current redemption price.

Redemption—The series A preference shares were not redeemable before June 1, 1981. Thereafter redeemable at the option of the company in whole at any time or in part from time to time on not less than 30 days' notice at $26.25 per share if redeemed on or before June 1, 1982; thereafter at $26 per share on or before June 1, 1983; at $25.75 per share on or before June 1, 1984; at $25.50 per share on or before June 1, 1985; at $25.25 per share on or before June 1, 1986; and thereafter at $25 per share; in each case plus all accrued and unpaid dividends. The excess of the redemption price per share over $25 will be paid out of the company's tax deferred surplus if it is sufficient to cover the full amount of such excess after prior payment of all tax deferred dividends payable on the redemption date.

The company may at any time purchase for cancellation the whole or any part of the tax deferred series A preferred shares outstanding at a price per share not exceeding $26.25 if such purchase is made prior to June 1, 1981, thereafter at the then current redemption price, plus in each case all accrued and unpaid dividends.

Monthly Purchase Obligation—The company shall during each month beginning June 1, 1977, purchase for cancellation, if and to the extent that such shares are available for purchase at market prices not exceeding $25 per share, an aggregate of 6,667 tax deferred preferred shares, series A, and series B preferred shares. The portion of such 6,667 shares to be purchased in each month which are to be tax deferred preferred shares shall be equal to the proportion that the number of tax deferred shares outstanding on the preceding dividend record date is to the aggregate number of tax deferred preferred shares and series B preferred shares outstanding on such date. If the company is unable in any month to purchase such tax deferred preferred shares, series A, or series B preferred shares, the company shall be under no further obligation to purchase such shares for that month.

Exchange Privilege—Any holder of the tax deferred preferred shares, series A, shall be entitled at his option at any time after June 1, 1988 (except during the 30-day period prior to any redemption date) to exchange all or any of the tax deferred preferred shares, series A, into series B preferred shares on a share-for-share basis (see below).

Other Provisions—Certain restrictions are placed on the payment of dividends and retirement of shares. In addition, so long as any of the tax deferred preferred shares, series A, are outstanding, the company shall not pay any tax deferred dividends on any other shares of the company until June 1, 1988, if the result would be to reduce the tax deferred surplus of the company below an amount equal to $50,000,000 less the aggregate of the tax deferred dividends paid on the series A preferred shares since the date of issue, and after June 1, 1988, and until June 1, 1996, if the result would be to reduce the tax deferred surplus of the company below the amount which will be required to pay during the ensuing fiscal year the aggregate tax deferred dividends on the series A preferred shares outstanding on Jan. 1 in each of those years.

Purpose of Issue—Net proceeds used for capital expenditures and working capital.

Offered—2,000,000 shares at $25 per share in April, 1976, by a group headed by Dominion Securities Corp. Harris & Partners Ltd., A. E. Ames & Co. Ltd. and Wood Gundy Limited.

$2.4375 Preferred Shares, Series B:

Entitled to fixed cumulative preferential cash dividends of $2.4375 per share per annum, payable semi-annually on June and Dec. 1.

In the event of liquidation, dissolution or winding up of the company, entitled to $25 per share plus accrued and unpaid dividends.

Redemption—At the option of the company, in whole at any time or in part from time to time on not less than 30 days' notice at $25 per share plus all accrued and unpaid dividends.

The company may at any time purchase for cancellation the whole or any part of the series B preferred shares outstanding at a price per share not exceeding $25 plus all accrued and unpaid dividends and costs of purchase.

Monthly Purchase Obligation—For details, see under provisions for $2 tax deferred preferred shares, above.

Other Provisions—Certain restrictions are placed on the payment of dividends, retirement of shares and creation of additional shares.

Offered—May be issued after June 1, 1988, on the exchange of $2 tax deferred preferred shares, series A, on a share-for-share basis.

Floating Rate Preferred Shares, Series C:

Entitled to cumulative dividend, payable semi-annually at the rate of one-half of the prime lending rate in Canada plus 1¼%, accruing from the date of issue Mar. 6, 1978.

Redemption—The company has the right to redeem the shares at any time after the third year, on the same terms as series B. The holder may call for retraction on Mar. 31, 1988.

Purpose of Issue—Net proceeds used to augment working capital.

Offered—2,000,000 shares at $25 per share placed privately Mar. 6, 1978, through Wood Gundy Ltd.

$3.25 Retractable Preferred, Series D:

Entitled to fixed cumulative preferential cash dividends of $3.25 per share per annum, payable quarterly.

In the event of liquidation, dissolution, etc., entitled to $25 per share plus accrued dividends. If liquidation is voluntary and occurs prior to Mar. 31, 1988, entitled to $26 per share plus accrued dividends; thereafter to the current redemption price.

Redemption—Non-redeemable before Mar. 31, 1988. On and after that date redeemable at the option of the company in whole or in part on at least 30 days' notice at the following prices if redeemed in the 12 months ended March 31:

1989 .. $26.00 1991 .. $25.50 1992 .. $25.25
1990 ....25.75

and thereafter at $25 per share; in each case plus accrued dividends.

The company may at any time purchase for cancellation any series D preferred shares, at a price per share, if purchased prior to Apr. 1, 1988, not exceeding $26 plus dividends; thereafter at not exceeding the then current redemption price; plus in each case costs of purchase.

Purchase Obligation—The company will make reasonable efforts to purchase for cancellation in the open market the following series D preferred shares commencing with the calendar quarter beginning Jan. 1, 1983, at a price not exceeding $25 per share plus costs of purchase. During the period from Jan. 1, 1983 to Mar. 31, 1988, 10,000 series D preferred shares per calendar quarter (2% per year); and comencing Apr. 2, 1988, 1% per calendar quarter (4% per year) of the number of series D preferred shares outstanding at the close of business on Apr. 1, 1988. Purchase obligation is cumulative only within each calendar year.

Retraction Privilege—Retractable at the option of the holder on Mar. 31, 1988, at $25 per share plus accrued dividends. Such privilege must be exercised prior to the close of business on the date 15 days prior to the retraction date, by depositing the shares with the transfer agent.

The company may elect on or after Feb. 1, 1988, to designate a further series of preferred shares into which the series D preferred shares may be convertible at the holder's option on a share-for-share basis during a conversion period commencing no later than the retraction date and ending no earlier than six months after the retraction date.

Restrictive Covenants—Certain restrictions are placed on the payment of dividends and the retirement of shares.

Purpose of Issue—Net proceeds applied to reduce short-term borrowings which have been and will be incurred to finance working capital requirements and fixed capital expenditures.

Offered—2,000,000 shares on Sept. 16, 1982, at $25 per share to yield 13% per annum by a group headed by Wood Gundy Ltd., and Dominion Securities Ames Ltd.

Common—One vote per share.

CHANGES IN CAPITAL STOCK

The original authorized capitalization was $5,500,000 in $100 par shares. On October 12, 1909, an increase to $7,500,000 was authorized and on December 28, 1915, a further increase to $15,000,000 was authorized. In February, 1916, the par value was reduced from $100 to $25.

At the annual meeting on Apr. 24, 1936, shareholders approved a by-law authorizing the subdivision of each $25 par share into five shares of $5 par.

On Jan. 30, 1952, at a special general meeting shareholders approved a 5-for-1 split of the capital stock and changing the stock from $5 par to no par value. Giving effect to the split there were 16,381,645 no par value shares outstanding of an authorized issue of 20,000,000 shares.

On July 31, 1964, the company issued 306,510 treasury shares in exchange for full ownership of Western Canada Steel Ltd.

In 1968, 10,428 shares were issued to Dr. S. W. Holmes for interest in mining properties in Spain and Portugal.

In 1972, the company issued 271,370 shares to Canadian Pacific Investments for 40% of the outstanding common shares of Can-Pac Minerals Ltd. (now Fording Coal Limited).

In 1975, 11,100 shares were issued under options.

At a meeting held Apr. 22, 1976, shareholders approved the creation of 8,000,000 preferred shares of $25 par value, of which 2,000,000 were designated as $2 tax deferred exchangeable preferred shares, series A, and 2,000,000 were designated as cumulative, redeemable $2.4375 preferred shares, series B. In addition, the authorized common shares were increased to 30,000,000 from 20,000,000 shares. In April, 1976, 2,000,000 in $2 tax deferred exchangeable preferred shares, series A were issued.

In 1976, 11,000 common shares were issued on exercise of options, in 1977, 5,000 common shares were issued, and in 1978, 2,300 shares were issued bringing common stock outstanding to 16,999,353 shares at Dec. 31, 1978.

In March, 1978, 2,000,000 in floating rate preferred shares series C were issued.

In 1979, 2,850 series A preferred shares were purchased for cancellation, leaving 1,997,150 outstanding. Upon the exercise of options, 50,650 common shares were issued bringing the number outstanding at Dec. 31, 1979 to 17,050,003.

On May 1, 1980, the company was continued under the Canada Business Corporations Act, and authorized preferred and common shares became unlimited.

During 1980, 58,266 series A preferred shares were purchased for cancellation and 34,450 common shares were issued on exercise of outstanding options.

During 1981, 78,800 series A preferred shares were purchased for cancellation, 1,709,065 common shares were issued under a rights offering of one share at $58 for each 10 shares held (fully subscribed), and 9,200 common shares were issued on exercise of outstanding options.

During 1982, 3,025 common shares were issued on exercise of options, 71,700 series A preferred shares were purchased for cancellation and 2,000,000 series D preferred shares were sold to the public. At Dec. 31, 1982, there were 1,788,384 series A preferred, 2,000,000 series C preferred, 2,000,000 series D preferred, and 18,805,743 common shares outstanding.

In April 1983, 1,000,818 common shares were sold to the public at $45.625 per share, to net the company $43,510,562. Concurrently with the public issue, Canadian Pacific Enterprises Limited purchased 1,190,962 common shares at the same price to maintain its approximate 54% interest in the company.

Also in 1983, 11,000 common shares were issued on exercise of options and 65,900 series A preferred shares were purchased for cancellation.

In May, 1984, the common shares were split three-for-one.

In 1984, 1,278,559 common shares were issued of which 24,600 shares were issued on exercise of options and 1,253,959 shares sold for cash.

The company purchased for cancellation 36,600 series A preferred shares.

To Oct. 1, 1985 703,564 common shares were sold on a flow-through basis at $21.32 per share and 199,080 common shares were sold at $14.125 per share.

PRICE RANGE

Common*

Year	High	Low	Year	High	Low
1977	$38.38	$27.63	1981	$72.00	$43.75
1978	34.75	23.00	1982	55.75	33.75
1979	55.75	31.63	1983	64.75	44.75
1980	81.00	47.50	1984▲ ...	20.63	11.25

*Listed in 1906. For prior years, see Historical Summary.

▲Adjusted throughout the year to reflect a 3-for-1 split in May.

Pref. Series A

Year	High	Low	Year	High	Low
1976* ...	$28.25	$25.38	1981	$24.00	$16.50
1977	29.25	25.75	1982	21.50	14.75
1978	29.00	25.75	1983	25.50	19.00
1979	28.00	24.50	1984	25.63	21.00
1980	26.75	21.50			

*Listed July 14, 1976.

Pref. Series D

Year	High	Low	Year	High	Low
1982* ...	$26.88	$25.63	1984	$30.38	$27.13
1983	30.50	26.38			

*Listed Nov. 29.

DIVIDENDS

Series A Preferred—Entitled to tax-deferred dividends of $2 per share per annum payable semi-annually. Initial dividend of $1.08 per share was paid Dec. 1, 1976; payments of $1 per share have been paid regularly semi-annually since.

Series C Preferred—Privately held. Entitled to cumulative floating rate dividends. Payments totaled 80 cents per share in 1978, $1.71 per share in 1979, $2.11 per share in 1980, $2.29 per share in 1981, $2.64 per share in 1982 and $1.98 in 1983.

Series D Preferred—Entitled to fixed cumulative dividends of $3.25 per share per annum payable quarterly on the first day of Jan., Apr., July and October. Initial payment of $0.8214 per share was paid Jan. 1, 1983; payments of 81.25 cents per share have been paid regularly quarterly since.

Common—Current rate of 16 cents per share per annum was established with the regular quarterly payment of four cents per share June 29, 1984 (first following a 3-for-1 split in May). Prior rate of 40 cents per annum, payable quarterly, was established with the payment of 10 cents per share on Dec. 20, 1982. Payments of 20 cents per share were made June 29, 1982 and Sept. 29, 1982; 80 cents per share was paid Dec. 18, 1981 and Mar. 30, 1982; and a rate of $4.40 per annum was paid quarterly from Mar. 20, 1980 to Sept. 25, 1981. For a complete record of dividend payments, see Historical Summary.

LONG-TERM DEBT

Note—Payments due on long-term debt, after the refinancing of the West Kootenay Power and Light Company Limited bank loan and assuming the conversion of the revolving loans into five-year term loans in 1985, are: $42,303,000 in 1985, $42,814,000 in 1986, $57,466,000 in 1987, $77,790,000 in 1988, and $67,802,000 in 1989.

8½% Sinking Fund Debentures:

Dated April 15, 1971; due April 15, 1991.

Principal and half yearly interest (April and Oct. 15) payable in Canadian funds at any branch in Canada of the bank designated in the debentures, at the holder's option.

Authorized and issued, $65,000,000; outstanding at Dec. 31, 1984, $48,590,000.

Denominations—Coupon debentures registrable as to principal only in denominations of $1,000 and in fully registered form in denominations of $1,000 and authorized multiples thereof.

Trustee—The Royal Trust Co.

Redeemable—At the option of the company in whole or in part, at any time, on 30 days' notice at the following percentages of principal amount on or before April 15 in each year:

1974 .. 107.10	1978 .. 105.30	1982 .. 103.50
1975 .. 106.65	1979 .. 104.85	1983 .. 103.00
1976 .. 106.20	1980 .. 104.40	1984 .. 102.50
1977 .. 105.75	1981 .. 103.95	1985 .. 102.00

thereafter decreasing by 0.50 of 1% annually to and including 1988 and thereafter at par to maturity, plus accrued interest in each case. The company may not redeem the debentures prior to Apr. 15, 1986, for refunding purposes at an interest cost of less than 8.55% per annum.

The company will have the right to purchase the debentures at prices not exceeding the redemption price plus accrued interest and costs of purchase. Such debentures purchased may be applied at their principal amount in satisfaction of sinking fund obligations.

Sinking Fund—Sufficient to retire $1,625,000 principal amount on Apr. 15 in each of the years 1977 to 1990, inclusive. In addition, the company may make optional sinking fund payments sufficient to retire a maximum of $1,868,000 principal amount on Apr. 15 in each of the years 1977 to 1990, inclusive.

Security—Direct obligation of the company, not secured by any mortgage, hypothec, pledge or other charge. No restrictions placed upon additional indebtedness which may be issued or incurred by the company.

Purpose of Issue—Net proceeds applied towards reduction of short-term debt and working capital expenditures.

Offered—In March, 1971, at 99.50 and accured interest to yield about 8.55% by a group headed by Dominion Securities Corporation Ltd., A. E. Ames & Co. Ltd. and Wood Gundy Securities Ltd.

10⅞% Sinking Fund Debentures:

Dated Feb. 13, 1975; due Feb. 15, 1995.

Principal and half yearly interest (Feb. and Aug. 15) payable in Canadian funds at any branch in Canada of the bank designated in the debentures, at the holder's option.

Authorized and issued, $60,000,000; outstanding at Dec. 31, 1984, $43,121,000.

Denominations—Coupon debentures registrable as to principal only in the denomination of $1,000 and in fully registered form in denominations of $1,000 and authorized multiples thereof.

Trustee—The Royal Trust Co.

Redeemable—At the option of the company in whole or in part, at any time, on 30 days' notice at the following percentages of principal amount, on or before Feb. 15 in each year:

1976 .. 110.88	1982 .. 107.20	1988 .. 103.60
1977 .. 110.20	1983 .. 106.60	1989 .. 103.00
1978 .. 109.60	1984 .. 106.00	1990 .. 102.40
1979 .. 109.00	1985 .. 105.40	1991 .. 101.80
1980 .. 108.40	1986 .. 104.80	1992 .. 101.20
1981 .. 107.80	1987 .. 104.20	1993 .. 100.60

and thereafter at par to maturity, plus accrued interest in each case. The company may not redeem the debentures prior to Feb. 15, 1990, as part of a refunding operation having an effective interest cost of less than 10⅞% per annum.

Sinking Fund—Sufficient to retire $3,000,000 principal amount on Feb. 15 in each of the years 1981 to 1994, inclusive. Debentures purchased or redeemed for other than sinking fund purposes may be applied at their principal amount in satisfaction of mandatory sinking fund payments. The debentures are redeemable at par plus accrued interest for sinking fund purposes.

In addition to mandatory sinking fund payments, the company will have the non-cumulative right to make optional sinking fund payments, sufficient to retire up to a maximum of $600,000 principal amount of debentures in each of the years 1981 to 1994, inclusive.

Security—A direct obligation of the company ranking pari passu with the outstanding 8½% debentures of the company, and not secured by any mortgage, hypothecation, pledge or other charge.

Purpose of Issue—Net proceeds used for capital expenditures and working capital.

Offered—In Jan., 1975, at 100 and accrued interest, if any, by a group headed by Dominion Securities Corporation Harris & Partners Ltd., A. E. Ames & Co. Ltd. and Wood Gundy Limited.

10% Serial Notes, due 1985-96:

On Apr. 1, 1976, the company placed with an institutional investor US$50,000,000 of these notes, to provide financing for ongoing capital investments. Outstanding at Dec. 31, 1984, US$36,668,000 (Cdn$48,453,000).

Bank Loans—At Dec. 31, 1984, the company had outstanding $389,200,000 in bank loans due 1986-94, with interest related to the Canadian prime rate.

Other Debt—Also outstanding at Dec. 31, 1984, was $87,789,000 in subsidiary debt, including $5,218,000 in 5¾% first mortgage bonds; $6,100,000 in bank loans; $10,000,000 in 13% secured debentures, due 1988; $10,000,000 in 13¾% secured debentures, due 1994; $10,000,000 in 14¼% secured sinking fund debentures, due 1998; and $15,000,000 in 14¾% retractable sinking fund debentures, due 1998 of West Kootenay Power and Light Company Limited; $2,710,000 (US$2,051,000) in 8½% notes and $632,000 in other debt of Cominco American Inc.; $8,100,000 in bank loans of Pine Point Mines Limited; $19,500,000 in bank loans of Western Canada Steel Limited; and $529,000 in debt of other companies.

INVESTMENTS AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
				$000's			
Assoc. co's. on equity basis:							
Shs., cost less recov.	■	65,608	66,788	66,758	52,381	53,055	51,943
Equity, undist. earns.	■	29,188	29,141	28,700	29,070	20,646	15,199
	91,147	94,796	95,929	95,458	81,451	73,701	67,142
Advances	....	....	....	....	....	....	....
Other companies (at cost):							
Panarctic	18,831	18,962	19,228	19,513	18,391	18,391	18,391
Bethlehem Copper	....	....	....	....	▲	41,313	41,313
Tara Exploration	....	22,515	26,903	26,903	26,903	26,903	26,903
Other	2,474	5,611	6,115	6,233	7,043	5,367	5,371
	21,305	47,088	52,246	52,649	52,337	91,974	91,978
Less: Accum. amort.	15,854	16,606	20,305	18,035	15,684	13,672	11,669
	5,451	30,482	31,941	34,614	36,653	78,302	80,314

■ Unstated.
▲Consolidated in 1980; amalgamated in 1982.

PRODUCTION AND SALES

Output of principal products by Canadian Smelting Works from 1894 to June 30, 1906, and the present company thereafter to Dec. 31, 1975, as reported by Cominco amounted to 9,125,000 short tons lead, 8,260,000 short tons zinc, 470,542,000 oz. silver, 23,682 short tons cadmium, 26,970,000 short tons fertilizer (including potash in 1972-75), and 2,463,000 short tons iron (to 1972) and steel. Ores and concentrates sold totaled 3,513,000 tons.

Commencing in 1976, the company changed its method of presentation to include sales and origin of production as follows:

	1984		1983		1982		1981	
	Sales	Output	Sales	Output	Sales	Output	Sales	Output
Refined Metal□								
Zinc, Tons								
Trail	279,900	285,600	242,000	239,800	228,100	225,800	245,500	260,900
Pine Point	....	....	....	....	....	....	....	....
Black Angel▲	6,500	6,400	13,000	13,400	24,300	21,000	31,100	30,400
Polaris	12,300	10,900	24,100	17,900	3,500	3,500	....	....
	298,700	302,900	279,100	271,100	255,900	250,300	276,600	291,300
Lead, Tons								
Trail	129,100	129,700	142,800	132,300	113,600	126,600	127,000	131,500
Magmont	37,200	37,200	36,200	32,300	33,600	33,100	24,600	28,500
	166,300	166,900	179,000	164,600	147,200	159,700	151,600	160,000
Silver*, 000 oz.	11,380	11,566	11,316	11,451	10,004	10,338	7,635	8,440
Gold, oz.	132,800	126,600	89,700	91,900	104,100	104,300	95,500	95,400
Concentrates†								
Lead, Tons								
Sullivan	....	194,300	32,200	139,300	3,400	170,600	....	148,000
Magmont	4,400	49,800	1,000	52,100	1,500	44,500	12,000	49,200
Pine Point	61,700	67,600	55,300	32,100	76,100	84,500	70,600	86,500
Black Angel▲	29,400	28,400	42,400	33,800	33,300	41,300	44,100	42,000
Polaris	62,400	40,700	38,700	56,300	27,900	45,900	....	....
	157,900	380,800	169,600	313,600	142,200	386,800	126,700	325,700
Zinc, Tons								
Sullivan	....	187,000	....	136,000	....	131,000	....	131,200
Magmont	16,500	16,600	10,700	10,700	7,200	7,000	7,800	7,900
Pine Point	....	302,900	....	129,700	9,900	287,400	35,600	274,400
Black Angel▲	128,700	135,000	132,200	150,300	127,200	154,900	110,600	154,100
Polaris	205,600	191,900	118,700	239,300	71,400	142,400	....	....
	350,800	833,400	261,600	666,000	215,700	722,700	154,000	567,600
Copper, Tons‡	44,000	42,200	33,600	37,100	17,900	11,900	19,000	23,900
Chemicals & Fertilizers, tons								
Canada	■	■	■	■	■	■	1,358,000	1,391,000
United States	■	■	■	■	■	■	440,000	475,000
	1,823,500	1,936,200	1,781,000	1,681,600	1,708,400	1,703,600	1,798,000	1,866,000
Potash, tons	1,251,400	1,361,100	1,113,800	1,122,400	827,300	793,700	917,000	1,087,000

*Includes silver sold in concentrates and intermediate products. ■ Unstated.

†Sales exclude concentrates processed at Trail and smelted by others. ▲Vestgron Mines.

‡Tonnages are for copper contained in concentrate; includes production from Bethlehem Copper's Jersey mine between 1981 and 1983. Previously, from 1963 to 1980, this mine had produced approximately 815,344,000 lbs. copper from some 92,703,000 tons milled; includes production from Highland Valley, B.C. and the Magmont Mine in Missouri in 1984.

□ Tonnages from Black Angel, Polaris and Magmont for refined metals are totaled.

INTERIM EARNINGS

Year	Gross Sales	Net Inc. Oper.	Earns. per Sh.*	Gross Sales	Net Inc. Oper.	Earns. per Sh.*	Gross Sales	Net Inc. Oper.	Earns. per Sh.*
	3 months			6 months			9 months		
	$000's		—$—	$000's		—$—	$000's		—$—
1978 ..	192,100	9,500	0.16	460,300	26,100	0.46	644,400	33,400	0.57
1979 ..	277,000	38,300	0.71	635,400	93,100	1.75	898,200	135,500	2.54
1980 ..	333,200	60,100	1.13	704,000	94,600	1.77	1,045,700	123,900	2.30
1981 ..	339,200	16,300	0.28	761,900	37,500	0.62	1,084,700	53,600	0.87
1982 ..	265,300	d15,000	d0.31	648,500	d14,400	d0.33	924,900	d34,200	d0.72
1983 ..	264,700	d19,000	d0.40	677,200	d22,700	d0.50	982,000	d40,400	d0.84
1984 ..	370,300	4,500	0.02	808,700	20,100	0.21	1,210,200	24,100	0.22
1985 ..	337,100	d10,000	d0.21	814,500	d6,600	d0.21	1,131,500	d35,000	d0.70

*Adjusted throughout to reflect 3-for-1 split, May, 1984.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended December 31

	1984	1983	1982	1981	1980	1979	1978
				$000's			
Source of Funds:							
Funds from opers.	122,851	31,551	d8,090	201,251	304,122	323,875	139,857
Issue shares	15,318	100,406	50,095	99,434	1,088	1,432	50,060
Incr. long-term debt.	13,155	8,811	151,304	253,368	117,813	4,200	4,250
Sale of assets, invests.	28,015	8,949	39,711	18,586	5,931	4,201	4,951
Work. cap. acquired	2,720	....	....	....	79,682	....	....
Claim settlement	....	....	....	....	....	....	7,800
Repay. advances	....	....	....	....	....	....	5,600
	182,059	149,717	233,020	572,639	508,636	333,708	212,518
Application of Funds:							
Investments	....	....	....	148,544	63,052	1,407	11,037
Land, bldgs. & equip.	87,265	83,529	176,900	265,279	240,598	114,777	66,636
Mining props. & dev.	35,629	22,807	53,505	68,388	39,654	35,371	20,801
Purch. shares	875	1,552	1,277	1,618	1,456	71	....
Loans advanced	....	....	....	....	....	3,000	....
Decr. long-term debt	52,263	46,670	29,612	14,298	15,166	13,094	18,839
Dividends	29,217	24,635	41,269	98,111	100,602	98,900	42,248
Other	3,990	4,533	1,429	8,084	3,203	5,529	10,537
	209,239	183,726	303,992	604,322	463,731	272,149	170,098
Increase working capital	*27,180	*34,009	*70,972	*31,683	44,905	61,559	42,420

*Decrease.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Years Ended December 31

	1984	1983	1982	1981	1980	1979	1978
				$000's			
Gross sales§	1,585,292	1,374,723	1,234,727	1,416,904	1,442,698	1,273,903	901,177
Less operating costs:							
Distribution	176,398	161,817	139,585	132,080	110,385	101,135	97,382
Selling	31,822	28,491	27,205	28,402	28,323	22,703	21,180
Cost of prod. & services	1,105,400	1,015,195	932,301	949,295	877,439	676,606	559,739
Gen. & admin.	45,017	44,023	47,910	45,721	39,548	33,586	37,450
Net operating income	226,655	125,197	87,726	261,406	387,003	439,873	185,426
Add: Investment income	4,466	4,600	5,933	19,921	13,425	17,858	7,062
Net before deprec., etc.	231,121	129,797	93,659	281,327	400,428	457,931	192,488
Add: Equity in earns. assoc.	14,053	2,275	5,207	3,761	13,905	10,670	9,470
Exch. gain subsids.	d1,333	d2,292	d674	d4,822	d1,554	d618	3,496
Less: Deprec, depl. etc.	115,637	100,153	86,388	83,570	73,836	72,520	64,659
Income & min. taxes	*5,166	*26,738	*43,042	50,831	117,552	133,085	46,154
Debt interest	91,939	81,375	90,383	51,409	24,866	24,950	25,534
Minority interest	5,096	*1,327	*686	10,164	14,097	23,088	6,072
Expl. & other	17,378	15,642	14,452	19,582	13,166	10,489	....
Net income, operations	18,957	d39,325	d49,303	64,710	169,262	203,651	63,035
Add: Extraordinary items	5,222	....	18,106	5,564	....	....	2,159
Net income	24,179	d39,325	d31,197	70,274	169,262	203,651	65,194
Add: Prev. ret. earns	490,615	554,414	622,310	631,507	545,554	423,304	400,844
Adj. re acctg. chge.§	....	....	....	....	....	6,922	....
Inventory adjust.	....	....	....	4,669	....	....	....
Less: Adjust. for potash rehab.	....	....	....	....	....	....	2,875
Share issue costs	359	2,326	1,796	475	....	....	....
Dividends	22,993	22,148	34,903	83,665	83,309	88,323	39,859
Retained earnings	491,442	490,615	554,414	622,310	631,507	545,554	423,304

§See Accounting Changes. *Recovery.

Remuneration—Of directors and officers has been as follows: 1984, $2,391,572; 1983, unstated; 1982, $2,075,656; 1981, unstated; 1980, $1,356,891; 1979, $1,322,000; 1978, $1,363,000 and 1977, $1,484,000.

Earnings Per Share:

Based on net income, operations							
Pref.: Times earned	t1.42	....	....	▲t7.65	▲t20.78	▲t27.45	▲t11.27
Common: Earned●	‡$0.09	‡d$0.87	‡d$1.05	‡$1.02	‡$3.15	‡$3.84	‡$1.11
Based on net income							
Pref.: times earned	1.81	....	....	▲t8.31	▲t20.78	▲t27.45	▲t11.65
Common: Earned●	‡$0.17	‡d$0.87	‡d$0.73	‡$1.12	‡$3.15	‡$3.84	‡$1.15

▲Based on dividends paid.
‡As shown in the company's annual report, based on average number of shares outstanding during the year.
●Adjusted throughout to reflect 3 for 1 split, May, 1984.

Dividends Paid or Declared:

Preferred Ser. A, $25 par	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Preferred Ser. C, $25 par	1.71	1.98	2.64	2.29	2.11	1.71	0.80
Preferred Ser. D, $25 par	3.25	0.82	▲0.82	....	....	....	....
Common*	0.12	....	....	....	....	....	....
Common (old), no par value	0.10	0.40	1.30	4.10	4.40	4.75	2.00

▲Initial.
*Following 3-for-1 split in May, 1984.

CONSOLIDATED BALANCE SHEET AT DECEMBER 31

	1984	1983	1982	1981	1980	1979	1978
				$000's			
Assets							
Current:							
Cash & s-term invests	13,540	13,858	31,279	48,887	79,252	92,706	61,769
Accounts receivable	227,303	224,273	182,573	243,624	242,492	188,967	128,234
Stores and materials§	85,135	85,550	85,991	84,429	61,273	49,733	40,471
Ores, metals & plant products on hand●	258,739	238,802	266,165	249,752	217,038	224,322	149,818
Prepaid expenses	11,507	9,481	9,732	7,317	3,771	3,982	7,344
	596,224	571,964	575,740	634,009	603,826	559,710	387,636
Invest.‡‡: Assoc. cos.	91,147	94,796	95,929	95,458	81,451	73,701	67,142
Other companies	5,451	30,482	31,941	34,614	36,653	78,302	80,314
	96,598	125,278	127,870	130,072	118,104	152,003	147,456
Sundry assets, etc.▾	31,499	25,862	28,142	21,379	11,491	13,999	6,363
Deferred charges	....	....	....	....	....	....	7,158
Fixed assets:							
Land, bldgs. & equip.†	1,054,064	1,052,096	1,043,462	932,290	742,552	534,347	467,650
Min. props. & dev.‡	321,855	308,131	316,330	310,074	167,378	111,122	96,647
	2,100,240	2,083,331	2,091,544	2,027,824	1,643,351	1,371,181	1,112,910
Liabilities							
Current:							
Bank loans etc.	214,851	157,672	161,633	140,007	81,703	34,073	23,360
Taxes payable	13,840	17,830	16,206	19,268	36,504	86,642	36,977
Accounts payable	165,386	166,380	146,411	171,220	163,639	160,617	107,838
Curr. portion l.-t. debt.	42,303	43,058	30,457	11,509	7,445	8,748	18,808
	436,380	384,940	354,707	342,004	289,291	290,080	186,983
Minority interest	32,039	34,561	38,397	45,449	90,393	54,795	42,370
Deferred income tax	133,839	144,498	175,520	219,155	168,380	119,618	91,586
Long-Term Debt:							
Parent co.	585,682	558,584	602,302	512,438	286,129	187,544	197,529
Subsidiaries	31,471	90,844	85,673	54,239	42,885	38,456	37,365
	617,153	649,428	687,975	566,677	329,014	226,000	234,894
Shareholders' Equity							
Preferred stock	142,146	143,061	144,709	96,502	98,473	99,929	100,000
Common stock	251,546	236,228	135,822	135,727	36,293	35,205	33,773
Retained earnings	491,442	490,615	554,414	622,310	631,507	545,554	423,304
For. exch. adj.	d4,305	....	....	....	....	....	....
	2,100,240	2,083,331	2,091,544	2,027,824	1,643,351	1,371,181	1,112,910
†After depreciation of	673,124	581,595	518,682	463,791	428,441	354,869	315,177
‡After depletion of	118,996	108,846	101,645	92,291	69,382	85,219	74,901

▾Includes $10,156,000 in 1976-77, accumulated cost of rehabilitation of Vade potash mine in Saskatchewan. In 1978, claim against the contractors was settled out of court for $7,800,000, the difference between settlement amount and amount previously carried in the accounts being charged to retained earnings.

§Valued at average cost, less allowance for obsolescence.

●Valued at lower of cost or net realizable value. ‡‡See Accounting Changes and Investments.

Commitments and Contingent Liabilities—(1) At Dec. 31, 1984, sundry guarantees, commitments and claims were $6,700,000, of which $5,700 was for bank loan of an associated company.

(2) At Dec. 31, 1984, $59,000,000 remained to be spent on approved capital projects.

(3) Unfunded liability for past service under Cominco's principal pension plans at Dec. 31, 1984, amounted to $45,000,000.

(4) At Dec. 31, 1984, aggregate minimum operating lease payments were $47,560,000.

Equity per Share:							
Net worth† ($000's)	880,829	869,904	834,945	854,539	766,273	681,172	556,246
Debentures, per $1,000	$9,609	$10,095	$9,270	$9,403	$8,190	$6,950	$5,676
Preferred	154.91	152.02	144.24	221.38	194.54	170.41	139.06
Common	13.69	34.60	36.70	40.32	39.09	34.09	26.84

†Available for the capital stock. Based on shareholders' equity, including foreign exchange adjustment. Preferred shares deducted at par before calculation of common equity. Debentures taken in at par for calculation of their equity.

Working capital ($000's)	159,884	187,024	221,033	292,005	314,535	269,630	200,653
Shares Outstanding:							
Preferred, Series A	1,685,884	1,722,484	1,788,384	1,860,084	1,938,884	1,997,150	2,000,000
Series C	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Series D	2,000,000	2,000,000	2,000,000	....	....	....	....
Common	▲64,304,128	21,008,523	18,805,743	18,802,718	17,084,453	17,050,003	16,999,353

▲Effective May 4, 1984, split 3-for-1.

COMINCO HISTORICAL SUMMARY■

Year	Total Assets	Working Capital	Gross Sales	Net Inc. Oper.	Earns. per Sh.‡	Divds. Paid▲	Price Range High	Price Range Low
	000's					Common Shares		
	$	$	$	$	$	$	$	$
1912	7,685		4,911	310			79.00	43.00
1916	15,014		7,204	996			*45.13	*28.75
1920	21,681		7,228	d59			32.50	15.13
1925	35,213	7,876	28,562	10,781	21.26	1.50+5.00	184.00	48.00
1930	56,576	13,777	21,614	2,378	4.43	2.50+10.00	280.00	120.00
1931	52,213	8,199	15,671	d800	d1.42	2.50	188.25	65.00
1932	48,924	6,095	11,272	d2,908	d4.91	....	102.00	25.00
1933	46,162	11,041	14,756	1,056	1.62	1.50	144.00	54.00
1934	47,022	12,961	19,158	2,212	3.39	2.00+1.00	170.25	118.00
1935	49,960	12,017	22,946	4,307	6.61	2.50+4.00	220.00	125.50
1936	52,870	12,296	28,433	6,953	*2.13	1.00+1.00	*81.00	*40.00
1937	59,254	11,669	40,484	14,670	4.50	1.00+2.50	100.50	45.00
1938	54,717	6,929	28,013	6,214	1.90	1.00+1.50	66.75	45.38
1939	56,846	10,536	35,470	9,340	2.85	1.00+1.00	61.25	37.50
1940	59,055	13,705	38,278	9,062	2.77	1.00+1.25	49.00	28.50
1941	62,699	21,166	51,037	12,200	3.72	1.00+1.50	41.38	31.50
1942	66,741	28,229	54,722	12,202	3.72	1.00+1.50	39.00	32.00
1943	67,342	31,307	56,741	9,097	2.78	1.00+1.50	46.50	37.00
1944	68,375	32,048	42,948	9,790	2.99	1.00+1.50	55.50	38.50
1945	75,112	38,366	51,081	11,518	3.52	1.00+1.50	84.00	49.00
1946	91,423	43,142	72,940	23,323	7.12	2.50+1.75	103.00	76.88
1947	119,497	54,484	100,580	37,278	11.38	2.75+5.25	98.25	78.50
1948	146,839	69,636	129,710	54,713	16.70	3.00+8.00	131.75	91.25
1949	148,858	77,983	120,786	41,588	12.69	3.00+6.50	123.00	81.00
1950	169,897	89,323	136,146	40,970	12.50	3.00+6.50	130.00	91.75
1951	193,796	87,004	174,774	50,785	15.50	3.00+8.00	197.00	126.00
1952	183,474	66,267	153,443	32,838	*2.00	0.80+0.85	*40.60	*29.75
1953	177,248	53,169	121,118	20,415	1.25	0.80+0.40	34.75	22.00
1954	186,357	61,432	124,337	25,370	1.55	0.80+0.55	31.00	21.88
1955	200,808	74,288	150,108	33,760	2.06	0.80+0.95	40.00	29.00
1956	196,851	81,879	135,732	30,306	1.85	0.80+0.85	38.00	25.00
1957	185,539	84,933	118,858	18,815	1.15	0.80+0.55	28.75	16.25
1958	180,793	92,318	103,900	14,018	0.86	0.80	23.38	16.38
1959	187,156	95,925	110,084	16,704	1.02	0.80	25.63	17.38
1960	199,827	96,149	115,649	23,498	1.43	0.80+0.20	21.38	17.00
1961	204,433	100,118	124,403	21,435	1.31	0.80+0.20	28.38	20.00
1962	212,754	103,107	131,101	23,227	1.42	0.80+0.30	25.00	18.50
1963	225,999	101,155	140,307	29,823	1.82	0.80+0.50	32.00	22.63
1964	256,665	87,816	170,029	39,136	2.35	1.60	44.88	30.25
1965	299,524	79,432	211,173	53,037	3.18	1.80	55.50	39.00
1966	356,095	86,258	224,566	49,183	2.95	1.80	51.00	30.25
1967	429,694	113,189	216,959	38,484	2.31	1.50	35.50	25.13
1968	443,577	97,465	241,255	32,268	1.93	1.40	39.88	22.00
1969	452,232	105,917	250,617	27,312	1.64	1.40	41.25	28.13
1970	468,134	86,610	264,483	24,162	1.44	1.40	35.63	19.13
1971	518,647	96,786	251,744	12,296	0.74	0.70	25.38	17.88
1972	570,363	106,874	304,327	20,909	1.24	0.80	30.75	22.63
1973	673,229	156,134	513,986	42,835	2.52	1.25	39.25	24.88
1974	765,717	160,364	781,898	86,287	5.08	3.00	35.50	22.00
1975	869,511	199,117	746,183	73,621	4.34	3.00	35.88	24.75
1976	973,205	202,227	725,005	47,673	2.66	2.00	41.75	32.88
1977	1,052,277	158,233	759,242	62,248	3.43	2.30	38.38	27.63
1978	1,112,910	200,653	901,177	63,035	3.33	2.00	34.75	23.00
1979	1,371,181	269,630	1,273,903	203,651	11.52	3.25+1.50	55.75	31.63
1980	1,643,351	314,535	1,442,698	169,262	9.44	4.40	81.00	47.50
1981	2,027,824	292,005	1,416,904	64,710	3.05	4.10	72.00	43.75
1982	2,091,544	221,033	1,234,727	d49,303	d3.16	1.30	55.75	33.75
1983	2,083,331	187,024	1,374,723	d39,325	d2.60	0.40	64.75	44.75
1984	2,100,240	159,844	1,589,758	24,179	*0.17	0.15	20.63	11.25

*Adjusted for 4-for-1 split in April, 1916, and 5-for-1 split in June, 1936 and January, 1952 and a 3-1 split May, 1984.

▲Does not include 10% stock dividend in 1931 and 1932.

■ Consolidated with wholly-owned subsidiaries commencing in 1956, and with all majority subsidiaries in 1972.

‡Based on average shares outstanding during the year in 1977 and subsequently.

For analysts interested in an intensive study of this and certain other companies, our Databank derives and publishes a wide range of operating ratios, growth rates, etc. For details, contact The Financial Post Investment Databank, Box 100, Terminal A, Toronto M5W 1A7, (416) 596-5692

(This information is obtained from sources we believe to be reliable, but is not guaranteed)

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